What we want to cover today

Burning Platform

- National Landscape
- Physician Leader Perspective

Value Based Care

- Our Approach
- Our Technology
- Our Lessons Learned
The mother of all fiscal problems

Victor Fuchs, emeritus professor of economics and health research and policy at Stanford University

“If we solve our health care spending, practically all of our fiscal problems go away”

And if we don’t?

“Then almost anything else we do will not solve our fiscal problems.”

James L. Reinertsen, MD (Physician, Health System CEO, Sr Fellow at the Institute for Healthcare Improvement)

“The principal focus of health policy for the next decade will be cost reduction.”
How did we get into this position?

*Unsustainable cost and Below average value*

**Government**
- Misaligned objectives and incentives
- Failure to target drivers of cost
- Driven by political tolerance above other rationale

**Delivery Systems**
- Failure to coordinate
- Failure to target drivers of cost
- Failure to recognize and respond to patient values

**Payers**
- Focus on price and provider rates
- Ineffective work-arounds – try to control what you can’t
- Failure to target drivers of cost

**Employers**
- Ignore cost shift from the government
- Driven by political pressures of the workforce
- Pass the cost on to consumers

**Public**
- Abdicate personal responsibility for health
- Sense of entitlement with respect to healthcare resources

*Everyone: Failure to communicate collaboratively, be accountable*
Overkill, Atule Gawande, MD

- 26 tests or treatments scientifically determined to have no benefit or be outright harmful…
- In one year 25-42% of Medicare patients receive at least one of these tests…
- IOM Report that waste accounts for 30% of healthcare spending…
- …$750 billion in waste, more than the national budget for K-12 education

Source: New Yorker Magazine, 5/5/2015
The Train has left the station

• Medicare
  • 30% of our market has already converted into a value based model through Medicare Advantage
  • CMS expects to move 50% of the remaining population by 2018
  • The effect is compounded by our aging population

• Medicaid
  • Oregon has embraced a new model of value based care for the vast majority of its Medicaid population
  • ACA initiative to expand this population shifting a large number from the uninsured population in to Medicaid

• Commercial
  • United Health: “We will increase value-based payments by 20% this year to beyond $43 billion, and beyond $65 billion in 2018”
  • Intel: Contract with Kaiser and Providence for 50,0000 lives.
Our Approach

Propel Health
What is Pop Health?

*Population Health Management* - A systematic effort to do four things:

- Focused on the needs of a defined population
- Enhance health through disease management and prevention
- Improve care quality
- Reduce waste and variation, and eliminate disparities for ethical and economic reasons
What is value based care?

**Value based care** - the consistent deployment of scarce resources across a larger population to improve quality and lower total cost.

- Effective risk stratification tool
- Engage the patient
- Apply interventions that make a difference
- Coordinated care team

**Value based contracting** - evolution in payment methodology that:

- Aligns incentives across members, payers, providers and employers
- Focused on improving clinical outcomes, patient experience and cost efficiency
- Defines quality and cost outcomes
- Fosters greater accountability
Our role

Propel Health is a provider-led organization uniquely positioned to align incentives for Oregon providers and payers to improve care quality and patient health.

Propel Health brings together key elements of value-based care to advance clinical and business outcomes, including:

- Care coordination
- Compliance
- Data and analytics
- Payment reform
- Quality improvement
- Patient risk assessment

Patients
- Become increasingly engaged in their health
- Receive more personalized care

Providers
- Empowered to provide timely, coordinated interventions
- Receive tools, resources, education and incentives

Payers
- Establish partnerships with engaged providers, jointly committing to provide high-quality, cost-effective care to patients
Guiding Principles of Propel

Throughout this endeavor, we will deliver the tools, methods and support necessary for optimal health management in the communities we serve. We will:

<table>
<thead>
<tr>
<th>Put patients first</th>
<th>Demonstrate resilience</th>
<th>Collaborate tirelessly</th>
<th>Become the system of choice</th>
</tr>
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</table>

We will achieve our vision by:

- Building solutions with physician leadership
- Sustaining performance around meaningful quality targets
- Rewarding participants through aligned incentives
- Using leading-edge technology to drive robust analytics
Axioms for a successful business model

Downside Risk
- The level of upside necessary to fund a value-based business is only achievable by also taking downside risk

Risk Mgmt Infrastructure
- In order to manage downside risk, a Value-Based Business must invest in adequate risk management infrastructure

Scale
- Achieving scale helps mitigate volatility and leverage the fixed cost of risk management infrastructure

PCP base
- Scale is driven by the number of participating PCPs, which bring in attributed lives

Source: Evolent Health, 2015
Path from FFS to Value-Based Care

Building high performing risk management functions allow providers to aggressively assume risk while clinical transformation efforts gain traction.

Integrated Risk Management Functions

Unlock value by migrating traditional payer-held functions to health systems

Example Drivers
- Care management
- Utilization mgmt
- Risk adjustment
- Quality
- Pharmacy

Successful Value-Based Care

Improved Clinical Decision Making

Longer-term change through evolving physician behavior and education

Example Drivers
- Clinical effectiveness initiatives
- Clinical decision support
- Physician performance management

Source: Evolent Health, 2015
Risk Management: Balanced Approach to Growth

Fully integrated population health manager

Value created accrues predominantly to payer

Insufficient approaches to manage total cost of care

Highest value capture

Fee-for-Service

Value-Based Contracting

Full financial risk

Complex + Transition Care

Broader Care Mgmt

Risk Coding

Utilization Mgmt

Additional levers

Source: Evolent Health, 2015
Our Statewide Network
Physician Survey: Willing to make changes in support of advancing value based care

Scale: 0 = Strongly Disagree, 5 = Strongly agree
## Physician Survey: Key aspects of success

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Care coordination between providers</td>
<td>4.43</td>
</tr>
<tr>
<td>Physician leadership</td>
<td>4.40</td>
</tr>
<tr>
<td>Shared learning among practices</td>
<td>4.25</td>
</tr>
<tr>
<td>Personalized care for patients</td>
<td>4.21</td>
</tr>
<tr>
<td>Data insights that drive care delivery</td>
<td>4.08</td>
</tr>
<tr>
<td>Extended primary care team</td>
<td>4.08</td>
</tr>
<tr>
<td>Integrated care delivery across payers</td>
<td>4.02</td>
</tr>
<tr>
<td>Progressive training opportunities</td>
<td>3.82</td>
</tr>
<tr>
<td>Incentives that support quality improvement</td>
<td>3.81</td>
</tr>
<tr>
<td>Compensation aligned with outcomes</td>
<td>3.60</td>
</tr>
</tbody>
</table>

1 = Not Important  
2 = Slightly Important  
3 = Moderately Important  
4 = Very Important  
5 = Critically Important
QHM Rafting Trip 2015
Our initial clinical focus

**Complex Care**
- Launch Complex Care pilots with by 1/1/16.
- Complex Care rollout with by 4/1/16.

**Transition Care**
- Launch Transition Care by 4/1/16.
- Transition Care rollout by 6/30/16.

**Identifi Rules**
- Configuration of technology rules engine by 11/30/15.

Source: Evolent Health, 2015
# Care model transformation

## Future: Broad Range of Risk Management Capabilities

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Care Management</td>
<td>Clinical programs: Complex care, transition care, condition care, emergent care</td>
</tr>
<tr>
<td>Utilization Management</td>
<td>Use of payment policy and health plan levers to avoid spending on low-value care</td>
</tr>
<tr>
<td>Risk Adjustment Factor (RAF)</td>
<td>Accurate documentation of members’ diagnoses and risk level</td>
</tr>
<tr>
<td>Pharmacy Management</td>
<td>Physician reporting and detailing Formulary design</td>
</tr>
<tr>
<td>Quality Measures / Star Ratings</td>
<td>Patient and physician outreach to maximize scores on quality metrics – both process and outcome</td>
</tr>
</tbody>
</table>
Our Technology

Propel Health
Evolent Partnership Technology Goals

Integrate the Identifi technology platform

- Optimize clinical program performance and data sharing capabilities
- Stratify patients to identify those at the greatest risk
- Assess quality improvement opportunities
Technology Supporting the Value-Based Business

1. Foundation as an integration engine
2. Provide access to an integrated view of data at a deeper and broader level
3. Optimize EMR use to drive better, more efficient care
4. Arm the enterprise with tools to manage clinical and financial outcomes

Source: Evolent Health, 2015
Succeeding in Value Requires a 360° View of the Patient and System
Identifi Drives Value-based Business Decision Making and Workflow

**Data and Integration Services**
- Aggregates a broad clinical and financial data set from health system partners and payers
- Matches patients through a Master Patient Index
- Stores data in Patient-centric Data Warehouse

**Clinical and Business Content**
- Applies profiling, stratification, and workflow rules on a broader and deeper data set
- Runs data through a highly configurable rules platform

**Identifi Applications**

<table>
<thead>
<tr>
<th>Role</th>
<th>Function</th>
</tr>
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<tbody>
<tr>
<td>EXECUTIVE</td>
<td>Dashboard to assess and monitor key clinical, financial, and operational performance metrics</td>
</tr>
<tr>
<td>HEALTH PLAN</td>
<td>Management and workflow tools to optimize and support the breadth of key health plan operations</td>
</tr>
<tr>
<td>NETWORK</td>
<td>Full network perspective for management of provider profiles and contract relationships</td>
</tr>
<tr>
<td>PRACTICE</td>
<td>Full patient panel review and population health performance metrics</td>
</tr>
<tr>
<td>CARE</td>
<td>Identify high risk patients and perform the necessary interventions to close gaps in care</td>
</tr>
<tr>
<td>ANALYTICS</td>
<td>Customizable analytics and reporting tool</td>
</tr>
<tr>
<td>RULES</td>
<td>Create, manage and edit clinical and business rules</td>
</tr>
<tr>
<td>DATA</td>
<td>Manage, review, and monitor all data sources</td>
</tr>
<tr>
<td>ADMIN</td>
<td>Monitor and manage system and application performance, build/edit new assessment</td>
</tr>
</tbody>
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**Identifi Data**

- EMR Data
- Hospital ADT Data
- EMR Optimization
  - Drives actionable insight into workflow via EMR
Value Requires Integrated Solutions to Turn Data and Analytics Into Action

**Sense & Respond**

- What happened?
- What should I do?

**Predict & Act**

- How do I create actions?
- What should I do?
- What will happen?

- Market Maturity

- Raw Data
- Cleaned Data
- Standard Reports
- Ad Hoc Reports & OLAP

- Physicians
- Executives
- Care Team
- Practice Administrators

- Health Plan
- Network

- Predictive Modeling
- Intervention Algorithm

Identifi
Critical Questions

1. Who are my riskiest patients?
2. Why are they risky?
3. What is the best intervention for them?

Source: The Advisory Board Company, Prioritizing the investment plan for population health management, 2014
Our Lessons Learned

Propel Health
“Leaders of health system and payers seem to fall into three camps…

1. **Strategic thinkers** – Those who have embraced value-based payment and are fully committed to making the transition

2. **Bet hedgers** – Taking a tactical, defensive approach to dabble in value based payment.  Hopeful that the future is still bright for the old model.  When they lose money on a shared risk arrangement they threaten to leave

3. **Ostriches** – In denial doing only what is necessary to avoid penalties
Further Questions?

Propel Health